

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**PFS Premium Finance Corporation
System ID No. 0001921
NAIC No. 00141**

Enforcement Case No. 09-7087

Respondent
_____ /

Issued and entered
on April 28th 2009
by **Stephen R. Hilker**
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. At all pertinent times, PFS Premium Finance Corporation was a licensed premium finance company doing business in the State of Michigan.
2. At all pertinent times, Clare Rothi was the President/Chairman of PFS Premium Finance Corporation.
3. As a licensed premium finance company, PFS Premium Finance Corporation knew or had reason to know that Section 1505(1)(e) of the Michigan Insurance Code, ("Code"), MCL 500.1505(1)(e), allows the commissioner to revoke or suspend the license of any premium finance company when and if after investigation, it appears to the commissioner that the company has remunerated any insurance agent or any employee of an insurance agent or to any other person, other than an insurance producer or the employee of an insurance producer, as an inducement to the financing of any insurance policy with the premium finance company.
4. During the Office of Financial and Insurance Regulation's investigation it was discovered that PFS Premium Finance Corporation established a program wherein agencies/agents could become shareholders in PFS Premium Finance Corporation and receive the benefit of PFS Premium Finance Corporation's profits if they submitted enough financed charges in excess of a specific threshold. According to PFS Premium Finance Corporation, the

purpose of the Incentive Bonus Plan was to give the agents an incentive to place premium finance contracts with PFS Premium Finance Corporation. PFS Premium Finance Corporation currently has approximately 42 agencies/84 agents that are shareholders-investors.

5. Shareholders-investors that do not submit enough financed charges to PFS Premium Finance Corporation in order to achieve the required threshold of financed charges are not eligible to receive a bonus.
6. Referring agencies/agents who are not shareholders-investors in PFS Premium Finance Corporation are not eligible to participate in the Incentive Bonus Plan and are not paid a fee nor are they recipients of any other remuneration.
7. By remunerating agents as an inducement to the financing of any insurance policy with a premium finance company, PFS Premium Finance Corporation violated Section 1505(1)(e) of the Code.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

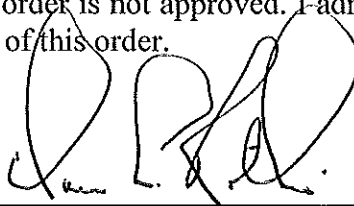
1. Respondent shall immediately cease and desist from operating in such a manner as to violate Section 1505(1)(e) of the Code, MCL 500.1505(1)(e).
2. Respondent shall pay to the State of Michigan, a market conduct fee of Five Hundred Dollars (\$500.00.) Upon issuance and entry of this Order, OFIR will send an Invoice to Respondent and Respondent shall pay the fine by the due date printed on the Invoice.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: Stephen R. Hilker
Stephen R. Hilker
Chief Deputy Commissioner

C. STIPULATION

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.



Authorized Representative of PFS
Premium Finance Corporation
System ID No. 0001921
NAIC No. 00141

Name/Title:

CLARE L. ROTH, PRES. / CHAIRMAN

Dated:

4/24/09

The OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.



William R. Peattie
Staff Attorney

Dated:

4/28/09